

**MINUTES OF THE REGULAR MEETING OF THE  
WASHINGTON STATE TRANSPORTATION COMMISSION  
January 18 & 19, 2005**

The regular meeting of the Washington State Transportation Commission was called to order at 9 A.M., on January 18, 2005 in Room 1D2 of the Transportation Building in Olympia, Washington.

Commissioners present at the meeting were: Chair Stedman, Ed Barnes, Dick Ford, Elmira Forner, A. Michèle Maher and Dan O'Neal.

**TARIFF POLICY COMMITTEE BRIEFING**

Ray Deardorf, Planning Director, WSF, opened the presentation by introducing Alice Tawresey, Chair, Tariff Policy Committee (TPC).

Ms. Tawresey remarked that the TPC and WSF face conflicting mandates when setting tariffs. The ferry system by Constitution is part of the highway system, but some of WSF's functions are more like a transit system. Cost recovery and targets that have been set by the Legislature present another conflicting mandate. The public is asking for the fares to stay reasonable so that they can afford to live and work where they live. However, the Legislature has set recovery targets. The Commission and the TPC are mandated to an eighty percent farebox recovery. The conflict is how to raise the money through fares and still keep it reasonable for system users. Another conflicting mandate is frequent user discounts. Frequent user discounts allow commuters discounts during peak use. The TPC has discussed reducing the discounts in some places to try and come more in line with congestion management, but again there is a conflicting mandate. Another conflicting mandate is transferring operating revenue into capital. This is fairly new, and one of the ways to finance new vessels. This again puts more of a burden on the customer rather than the general taxpayer. She iterated that today's recommendation is a lot of hard work by a lot of interest groups.

The TPC is recommending a general fare increase of five percent effective May 1, 2005. The Anacortes/Friday Harbor route will experience an additional five percent increase in order to achieve route equity. Inter-island route increases will be five percent more than general fare increases until May 2009, at which time tariff route equity will be reached. The TPC is recommending that fare adjustments begin May 1<sup>st</sup>, rather than the first Sunday in May, in order to bring WSF into alignment with regional fare coordination systems.

Mr. Deardorf addressed concerns regarding frequent user discounts. He noted that there is background and history regarding this issue. First of all, there is the guiding principle from the Legislative statute as to what needs to be considered when raising fares. The frequent user coupon books originally started out as a punch card that could not be shared.

The Department eventually evolved to coupon books that could be taken apart and shared by a number of users. This has become a practice for a number of users. Ms. Tawresey commented that historically you could not share the coupons. Although there is no rule to that effect, the point of the discount is for frequent use.

It's important to understand this concept, because the TPC is going to recommend going to a system that makes it almost impossible to share, users are not going to like this, and the Commission is going to hear about it.

Mr. Deardorf explained that current policy and pricing provides a twenty percent discount if you make ten round trips in ninety days. In essence, if the user makes a round trip every nine days the maximum benefit from the frequent user coupon book would be achieved. The discount is higher in the peak season because a twenty five percent surcharge is added to vehicles in mid-May through mid-October. In this event the discount is actually higher. The rates and times that have been discussed exclude the San Juan Islands. In the San Juans it's a five round trip threshold, not ten, for vehicle/drivers. The discount has evolved to twenty five percent for vehicles and thirty five percent for passengers. This was implemented a few years ago to offset higher peak season surcharges for the San Juan Islands and passenger only rates.

Commissioner Stedman asked if San Juan residents are considered commuters. Mr. Deardorf responded that there is a much smaller commuter base in the San Juan's relative to the rest of the system. There is more of a commuter base between the islands as opposed to the mainland.

Commissioner Forner noted that a statement was made that one route should not subsidize the other. This is a conflict – why do the highly used ferries not subsidize the others – is this policy. Ms. Tawresey responded that the Commission has set policy by adopting recommended tariff fares. The length of the route also determines the fare.

Commissioner O'Neal noted that it's important to point out that this principle does not apply across the board.

Mr. Deardorf emphasized that it's important to remember that the reason tariff route equity is used is to normalize, based on the route length, and not on the peculiarities of operating costs on each route. The TPC discussed whether or not a round trip every nine days meets the spirit for reasonable commutation rates. Because it was felt that one trip every nine days stretches the boundary of what would be considered a commuter, there should be two different products for frequent users. One product would maintain the same level of discount, where the other would need to utilize ten round trips in thirty days to achieve the discount. Therefore commuters would need to make a round trip every three days using a card that contains a barcode.

Commissioner O'Neal expressed that he feels there is a conflict based on the fact that there are commuters who are paying less. This is not a good thing from a policy standpoint, and yet it seems that it's more certain that commuters get the break as opposed to other frequent users. Ms. Tawresey responded that the level of discounts would be discussed further into the presentation. Mr. Deardorf noted that Commissioner O'Neal's question is right on target- in that the current fare discount strategy gives the best break to the most frequent user.

A passenger pass that is used more than sixteen days per month allows for a better price than if you buy a frequent user book. Today's proposal still maintains the principle that those who use ferries frequently receive the biggest discount.

Ms. Tawresey noted that the RCW specifically provides the tariff setting authority to give a discount for reasonable commutation, which is not the case in a transit system.

Sam Kuntz, Chief Financial Officer, WSF, commented that there is a difference between frequency of travel and time of travel. Today users who travel the most receive the best discount based on Legislative direction, but they also travel during peak times, in a very narrow window, in the morning and afternoon. There has been extensive conversation by the TPC with regards to differentiating fares based on time of day or day of week, and also the discussion of who deserves the best discount. It was almost unanimous among the TPC that those who use the system the most should receive the best discount, but there was no consensus on how to approach the time of day issue. There is strong resistance to this concept by frequent users. There are others that support change in mode as an incentive to spread out the demand throughout the year. Because WSF is faced with finding a new system this year the biggest issue is what can and cannot be done. The prospect of being able to address those issues in the next couple of years is coming to reality. There is the complication of balancing technology and applying new policy with the operational difficulties of handling the flow of traffic through terminals. Ms. Tawresey commented that too many changes with the biggest and most influential user group is not necessarily a good idea. A go-slow policy would be the wisest choice.

Chair Stedman asked if any thought has been given to selling coupons for certain hours. Mr. Kuntz commented that the TPC has discussed this with no clear consensus. He noted that technology is not available at this time to do that, but it will be in coming years. It would be better to test this idea on a small population of users in order to get an idea of operational and technological issues before it's applied to the largest customer base. In keeping with the philosophy of providing the best discounts to the most frequent users, the TPC proposes to replace coupon books with two products. The TPC proposes a commuter product of ten round trips in thirty days for a twenty percent discount and a convenience product of five round trips in sixty days for a ten percent discount. Proposed frequent user policy for the San Juan Islands would be a twenty five percent discount for five round trips within ninety days, and inter island would be twenty percent discount for five round trips within ninety days. Ms. Tawresey commented that from the commuter's point of view they are the ones keeping the economy on the Westside going. There is generally a forty percent difference between wages in Seattle versus wages in the islands for the same job. If you severely impact people's ability to commute to their jobs, then you are impacting the economy on the Westside. That's why the conflicting mandate is a very delicate balance.

Mr. Deardorf provided an overview of changes to passenger passes. Currently WSF offers monthly, quarterly, and annual passes on all routes with the exception of the Anacortes/San Juan Islands/Sidney route. Once the Smartcard is implemented the quarterly and annual passes would become redundant because the card would be reloaded. WSF participates in the Regional Joint Policy Board (RJPB) with transit partners. The RJPB has recommended the elimination of regional annual and three-month pass by all transit agencies. The TPC recommends elimination of the quarterly and annual passes to allow alignment with the region in accordance with the RFCS.

This would provide increased simplicity for WSF's customers.

The TPC is recommending a promotional fare for buses and oversize recreational vehicles traveling to and from Sydney B.C. to bring those fares more into alignment with the market, and to increase traffic on those runs. The new promotional fare will eliminate the over-height charge for non-commercial vehicles and buses.

Ms. Tawresey provided an overview of tollbooth surcharges. The TPC would like to encourage WSF customers to use the Electronic Fare System (EFS) to minimize cash transactions at the tollbooth. Beginning May 1, 2006, all multi-ride products will be available at kiosks. Purchasing online will be priced five percent lower than if purchased at the tollbooth. This surcharge will be added in 2006 in order to allow customers time to become familiar with the new system.

Mr. Deardorf provided an overview of commercial accounts. Currently commercial accounts traveling six or more times per week are given a ten percent break. WSF's proposal would continue the discount on commercial accounts that use twelve or more one-way trips per week until implementation of the EFS in the fall of 2005. At that time it would be switched to a more flexible commercial account program. A general account would be pre-paid and offered priority loading when possible, electronic account information, and access to special promotions or earned benefits when possible. In addition, certain accounts may be offered as charge accounts where customers meet WSF guidelines.

Ms. Tawresey explained that the TPC is considering implementing another general increase in May 2006 along with a ten percent fuel charge. Requests for this recommendation came from WSF. There are four Legislators on the TPC, two from each house, and two from each party. They recommended that the TPC not recommend a ten percent fuel surcharge or another general fare increase. Legislators have been hearing from their constituency about keeping fares reasonable, and they are committed to go to the Legislature for a higher subsidy rate, making these additional increases unnecessary. The TPC is recommending that this not be part of today's proposal, but if those increases in the subsidy rate are not forthcoming from the Legislature, then the TPC would be prepared to reconsider a ten percent fuel surcharge and another five percent fare increase to be enacted in May 2006.

Mr. Deardorf pointed out that not including the fuel surcharge or the second five percent increase in May 2006 does not preclude WSF from beginning the WAC process again in May for an October fuel surcharge, and again in December for a May 2006 adjustment of fares. WSF will hold public meetings in various ferry communities where brochures and media information packets will be distributed.

### **PUBLIC AND LEGISLATOR COMMENT PERIOD**

Representative Jeff Morris commented that he served on the Tariff Policy Committee this past year. He expressed that he supports the five percent increase, as a part of the 5+5+5 Plan. He brought to the Commission's attention that he does not support the change from the coupon book to the Smartcard system. It is common for families to share the coupon booklet, but because of the way the system is being set up users would no longer be able to share. The shift in cost as a result of the implementation of the Smartcard is exorbitant to users.

He presented a letter from the 40<sup>th</sup> District signed by Senator Spanel and Representative Quall asking that the Commission not approve the scan system as currently proposed by WSF and the TPC.

He commented that fuel cost overruns should not be tacked on top of the five percent increase.

Bob Distler, Chair, San Juan Islands Ferry Advisory Committee (FAC), and member of the Tariff Policy Committee, expressed that he supports the proposed tariff proposal. He indicated that he has been in favor of the route equity formula, because it fairly prices each of the routes of the system according to the value of service provided. The FAC has endorsed WSF's 5+5+5 Plan even though the bulk of service reductions cost recovery has been in the San Juan Islands. With the suspension of service to Sydney there was a service reduction throughout the islands and through some parts of other routes. He commented that he continues to support this plan, however this particular proposal contains a further thirteen percent increase that will fall, as Representative Morris indicated, on a small number of people. The need for revenue in the network is recognized. However the San Juan Islands have borne that largest percentage of fare increases and reduction in service over the last four years of any part of the route structure. He expressed that he can not support an additional thirteen percent increase contained in this package, as a result of introducing two-tier frequent user discounts. This particular aspect of the proposal will fall on a very small group of people. The residents of the San Juan Islands ask that the Commission reconsider this part of the proposal.

Commissioner O'Neal asked if Mr. Distler might suggest alternative proposals. Mr. Distler responded that the proposal is to not move forward with the two-tier discount structure. Offsets were not discussed, but an easy offset would either be a larger general fare increase or a slight increase in the summer season surcharge, which does not affect frequent users. This method has been used in the past as a revenue neutral proposal. Members of the TPC use the coupon books in different ways. Users that use the coupon books within thirty days do not feel as affected as those in the San Juan Islands. He proposed that the current discount structure be retained, and not go to the two-tier structure, because of the way this particular tariff element is used in the San Juan Islands.

Commissioner Forner asked Mr. Distler his opinion on portability. Mr. Distler responded that he feels that the portability issue with regard to the car/driver book is one that he has difficulty objecting to. It is true that frequent user medium whether it be gas coupons, punch cards or media itself, are something that should apply to a single user, or that can be traded by sharing the coupon book. The San Juan Islands have a separate problem with regards to the passenger frequent user book. Families will go off island, and when they return they will use one frequent user coupon for car and driver, and two or three coupons for passengers.

Jim Boldt, Aqua Express, shared his concerns regarding the ferry tariff proposal. He explained that Aqua Express is a partnership of four separate entities. It is currently operating private passenger-only ferry service between Kingston and Seattle. There are five commute runs each way. Passenger ferry service providers have watched the situation in Puget Sound for over a decade. He pointed out that the private sector is watching. It seems that there is an opportunity to provide passenger only ferry service if the state is not going to.

The Commission needs to make a very clear statement to the Legislature regarding its role in passenger only ferry service.

In closing he noted that a private passenger only ferry company has applied with the Utilities and Transportation Commission (UTC) for a certificate to serve the south Kitsap area and Seattle. Within a week Aqua Express will apply with the UTC for consideration of certificate to serve that area as well.

Eugene Hoglund, Citizens for an Elevated Solution, shared his concerns regarding the proposed tunneling alternative for the Alaskan Way Viaduct.

Ms. Tawresey shared that she also participates in the Marine Transportation Association of Kitsap County (MTAKC). The group is made up of mayors, council members, citizens and Kitsap Transit. The association's mission is to advocate for ferry transportation for residents of Kitsap County. She distributed a position statement from MTAKC regarding passenger only ferry service to Commissioners. She noted that MTAKC believes that passenger only ferries should be supported by local transit systems and not the state. The state should request that the Legislature extend time limits for House Bill 1853 another five years to allow Kitsap Transit to develop its program. This would also allow other transit systems to take advantage of the model pioneered by Kitsap Transit. The state might also consider matching funds required for federal capital grants to support necessary programs. Secondly, there should be efforts to resist cumbersome reporting systems and unnecessary layers of review and supervision. Also, there must be an effort to resist restricting the development of this program at the local level by encumbering it with requirements or regulations.

Commissioner Barnes commented that if transit systems provide passenger only service he wants to make certain that the service continues, so that the Department does not have to step in and take over. Ms. Tawresey responded that she also has concerns regarding the on and off nature of the service. She noted that the Department's service has been unreliable. Every time there is a budget crisis the first thing to be threatened or cut is passenger only service.

Secretary MacDonald commented that the south Puget Sound passenger situation also involves King County. You must keep in mind that a service pattern is created for the long-term.

#### **TARIFF POLICY COMMITTEE RECOMMENDATIONS AND MODIFICATION TO WAC 468-300-010, 020, 040, 220**

Mr. Deardorf requested that the Commission take action to approve WSF's request to move the Tariff Policy Committee's recommendations forward to public hearing, and filing of the CR 102 form with the Code Reviser's Office.

*It was moved by Commissioner Ford and seconded by Commissioner O'Neal to approve WSF's request to move forward with public hearings regarding the modification of WAC 468-300-010, 020, 040 and 220. The motion passed unanimously.*

## **PASSENGER-ONLY FERRY SERVICE UPDATE**

Mr. Deardorf provided an update to the Commission regarding passenger only ferry service. He shared that Pacific Boat Enterprises, LLC, has filed an application with the Utilities and Transportation Commission (UTC) to operate a passenger only ferry service between Seattle and Harper in south Kitsap County. Pacific Boat Enterprises estimates yearly ridership between 75,600–113,400 passengers. There would be an eighteen-month startup time. The Chair of the House Transportation Committee wrote to the UTC indicating that state funded passenger-only ferry service on the Seattle/Vashon/Southworth route will be a major policy issue before the 2005 Legislature. The letter also requested that the UTC wait for consideration of the application until the 2005 Legislature convenes. WSF has taken an initial look at the existing passenger-only ferry services possible impacts to the current ferry service, focusing on Seattle/Vashon route. WSF feels that a more direct connection to Harper passengers would shift to the new service. The estimated revenue loss on the Vashon passenger only route would be approximately \$300 thousand dollars per year.

Secretary MacDonald inquired if there is a mid-point range in the revenue estimate. Mr. Deardorf responded that WSF's estimate is in the mid-point of the range. Secretary MacDonald noted that it could be more or less. Mr. Deardorf iterated that the resulting operating cost pressures could potentially be addressed by putting a smaller vessel on the route, reduced trip frequency, or increased state subsidy. If these changes could not be made the viability of the current Vashon passenger only service could be threatened with negative impacts on cross sound and inside King County transportation services to the public. It is also anticipated that there may be some diversion from the existing Fauntleroy/Southworth passenger ferry service at a lesser rate than the Vashon service. There are no opportunities to reduce operating costs on Fauntleroy/Southworth service. As discussed at the December Commission meeting, the Ten-year Vision report requested by the Legislature on passenger services across Puget Sound identified the potential of WSF operating the Seattle/Vashon/Southworth passenger-only service. This would require modifications to terminals at Vashon and Southworth, and modifications to WSF labor agreements to allow split shifts. This concept would strengthen service to both Vashon Island and to South Kitsap County. WSF's proposed course of action is to closely follow and support Legislative consideration of the Seattle/Vashon/Southworth triangle service as identified in the Ten-year Vision report. The statute provides that when considering an application the UTC, shall consider and give substantial weight to the effect of its decision on public agencies operating, or eligible to operate passenger-only ferries. Depending on the form and timing of the UTC consideration of the pending application, the Department will formally or informally comment in the UTC proceeding. The purpose of the Department's submission will be to assure that the UTC is fully informed about the potential effects of the proposed service on existing WSF services.

Commissioner Forner inquired if a policy has been adopted regarding passenger-only ferry service. Secretary MacDonald responded that it's a carryover from the unfortunate characterization of transportation policy between highways and transit. WSF operates the first/second largest transit system in the state. WSF's commitment to carrying people and goods is not differentiated between a transit component and water borne highway system. The Department is suggesting that the ferry system should be operated in a way that resources are used efficiently.

Commissioner Forner noted that highways are not privy to transit funds. She questioned that if the ferry system were a transit system then it would be eligible for those funds. Secretary MacDonald responded that the answer depends on how you chose to structure getting into revenue sources. A future discussion might be whether or not there is a prohibition on using gas tax revenue to support the ferry system as a whole, including some boats that may not carry vehicles. Commissioner Barnes commented that he has concern with today's tariff proposal when there is a possibility of loss of revenue in passenger-only service. Commissioner O'Neal commented that this issue is complicated when you have a private operator using public funds. Commissioner Ford noted that this is a significant issue.

Jennifer Ziegler, Administrator, suggested that it would be helpful to Commissioners if WSF would provide the Commission with a summary of the expected results from negotiations with unions regarding the split shift issue, and what has been learned from discussion with the Legislature.

Mike Anderson, Acting Executive Director, WSF, explained that WSF is truly a transit system. It becomes clear when noted that WSF carries more walk-on passengers than vehicles. The legislative process will determine whether or not WSF will continue the current service.

### **PROJECT UPDATE - SR 520**

Dave Dye, Administrator, Urban Corridors and Northwest Coordination, provided an update regarding the progress of the Draft Environmental Impact Statement (DEIS) and project progress on the SR 520 Bridge replacement and HOV project. He pointed out that tomorrow's budget discussion would include \$1 billion dollars in new revenue as identified for the SR 520 project. In addition to that an additional \$700 million dollars will be coming to the project through tolling. The Department has been working closely with key Legislators regarding the state's responsibility for large preservation projects. Any expansion or improvement to the facility after that would become the responsibility of the region or other local or federal sources. The direction that this issue will take is uncertain at this point.

Maureen Sullivan, Project Director, Urban Corridors Office, provided an overview of the SR 520 project. She explained that specific goals for the project have been established. The intention is to preserve this critical corridor for the region, by improving safety and reliability, and increased mobility for people and goods. The project would also enhance the environment, by being designed to fit better within the communities it serves. There are a range of jurisdiction and agencies involved in this project.

There were approximately thirty/forty alternatives reviewed for the project, which has been narrowed down to two alternatives, four or six lanes. Both alternatives would rebuild the floating bridge and its approaches, rebuild Portage Bay Bridge, add bicycle/pedestrian lane, increase lane widths and add shoulders and sound walls. The pontoons would be deeper to allow for future high capacity transit. This project anticipates electronic tolling. The unique element of the four-lane alternative is that it rebuilds transit stops and adds HOV ramp access to I-5 express lanes during peak morning hours. The unique elements of the six-lane alternative would be to add HOV lanes in each direction that would include five lidded



sections of freeway at 92<sup>nd</sup>, 84<sup>th</sup>, Evergreen Point Road, Montlake, and 10<sup>th</sup> Ave/Delmar. This alternative also adds an auxiliary lane between I-405 and 124<sup>th</sup> Avenue NE, and reversible HOV access to I-5 express lanes. The cost range for construction of the four-lane alternative is \$1.7 – \$2.0 billion dollars. The six-lane alternative cost range is \$2.6 - \$2.9 billion dollars. Estimated construction time for the floating bridge is four/six years, and the full project between seven/ten years depending on the chosen alternative. Ms. Sullivan explained that there is some controversy over the width and height of the corridor. The challenge is making it fit within the community. Environmental benefits of the project are improved water quality in Lake Washington, improved fish habitat, arboretum and parks improvements, sound walls added to reduce noise for the majority of nearby residences and LID's added to provide community connectivity.

Secretary MacDonald commented regarding the necessity of tolling or congestion pricing as funding alternatives.

Commissioner Ford inquired if there is funding in the budget to research the best alternative. Secretary MacDonald commented that these issues should be researched as soon as possible. He also commented that he feels tolling is a must.

Ms. Sullivan noted that the Department is working with Sound Transit regarding light rail near Mount Lake Bridge.

Commissioner Ford commented that in light of the HOV lanes it is rational to use available transit dollars. These funds could be applied in a phase two along with other funds. It changes the thinking of what Sound Transit should invest in, but it's fair to open the discussion. There are funding dollars that cannot be utilized in this way, but maybe should be.

Commissioner Forner asked what impact this project will have on traffic congestion in the area. Ms. Sullivan responded that the traffic model does take into account land use changes, but there will still be bottlenecks that will need to be worked on as growth occurs.

Ms. Sullivan noted that there are issues with noise, but in most instances there will be a substantial noise reduction assuming that noise walls are installed. She moved on to discuss water quality issues and mitigation.

### **MAINTENANCE AND OPERATIONS UPDATE**

Secretary MacDonald introduced Chief Lowell Porter of the Washington State Patrol. He shared that the Department and the State Patrol's partnership in incident management is a national model. Secretary MacDonald and Chief Porter signed the Joint Operations Policy Statement (JOPS) agreement.

Gummada Murthy, Director, Maintenance and Operations, commented that joint operations policies provide positive impact. He praised the Amber Alert Web Portal and first responders. He presented recognition awards to Lisa Murdock, Jim Shanafelt and John Bruun and Walter Weiblen.

Mr. Murthy provided an update regarding the 511 System. He noted that on November 29, 2004 the Department, along with other participating agencies, earned the Governor's Award for Quality and Performance for contributions in implementing the Web Portal System. The Amber Alert Plan was aimed to create a statewide action plan for getting the word out as quickly as possible when children are abducted. The Web Portal provides a unified place to find detailed information about the person. He shared that Governor Locke commented, "he is very proud of what we've been able to accomplish together in Washington".

### **Federal Highway Administration**

Dan Mathis, Division Administrator, Federal Highway Administrator, provided an update to the Commission regarding transportation reauthorization. He explained that the key issue is funding levels. The question is whether or not the administration and both houses will support funding levels. He commented regarding his attendance at a Transportation Research Board conference where he learned that Washington State is a leader in many aspects.

### **TRIBAL ISSUES UPDATE**

Colleen Jollie, Director, Tribal Liaison, provided an update regarding tribal issues. Aside from specific transportation projects there are several areas of activity and interest in the Department's tribal relations. The Department has provided substantial support in the creation of the Tribal Transportation Planning Organization (TTPO). The TTPO has participated in the development of the Washington Transportation Plan. Ms. Jollie explained the tribe and Department's responsibilities for consultation, and that the sources of those responsibilities are federal government trust responsibilities, with treaty tribes or executive order tribes that are recognized by the federal government. A lot of the transportation work that has been established is through the Bureau of Indian Affairs, the Federal Highway Administration, and the Army Corps of Engineers. At state government level there is the Centennial Accord – Tribal Consultation Policy, Executive Order 1025 that was signed by Secretary MacDonald and adopted by the Commission on February 19, 2003. This policy advises the Department to work closely with tribes as projects are developed. There are statutes and regulations such as the National Environmental Act, the National Historic Preservation Act, and TEA 21 that require consultation with tribes. Sometimes the state and tribal relationship is overlooked, because the tribes work so closely with the federal government. The Bureau of Indian Affairs provides services, such as roads and construction, to the tribes. In the last few years' tribes have become more engaged in providing transportation services, not just roads, but public transportation as well. There are also tribal laws and employment rights ordinances that require working with the tribes. With so many tribes across the state, and the number of existing reservations, there are issues that bring agencies and tribal organizations together. There are multiple agencies that work together to find solutions that improve consultation and transportation partnerships. In closing she provided an overview of Tribal Employment Rights Ordinances (TERO).

### **ADMINISTRATOR REPORT**

Jennifer Ziegler, Administrator, distributed letters from the Freight Mobility Strategic Investment Board and County Road Administration Board expressing their concerns regarding revenue recommendations. She explained that the Senate is reviewing

unconfirmed Commissioner appointments before forwarding to the Governor for signature. At this time there are five unconfirmed Commission members. At some point, probably mid-way through session, those members will appear before the Senate Transportation Committee for confirmation hearings. Ms. Ziegler reminded Commissioners that they need to provide their lobbying activities to the Commission office.

### **PUBLIC OPINION SURVEY RESULTS**

Linda Mullen, Communications Director, provided an overview of two statewide public opinion surveys regarding transportation issues. The October 2004 survey contacted 1027 random digit dialing phone interviews statewide to learn about public views on transportation issues. In general, the questions dealt with transportation priorities, funding, organizations, frustrations, communications and accountability. One hundred people each in the Olympic Peninsula, Clark County, Spokane County, Tri Cities and Wenatchee of the total were contacted. One hundred fifty individuals in Spanish- speaking households and 527 people in other counties in the state were contacted also. The outcome of the survey indicated that the Department has strong favorability ratings across the state, and that projects across the state are generally supported. The Department conducted an additional survey interviewing five hundred people across three counties of Central Puget Sound. Findings indicate that the public in general supports projects in their local areas.

Ms. Mullen expressed that even though the results of surveys indicate that the public feels WSDOT is doing a good job, it does not necessarily mean that they feel more funding is necessary. The least preferred alternative for funding was to impose a new gas or sales tax. Key findings indicate that overall investing in the transportation system stimulates economic growth. If there were a need to increase transportation funding, the most preferred source would be to redistribute the entire state budget.

Commissioners expressed concerns regarding the results of both surveys.

### **BRIEFING ON THE TRANSPORTATION WORKING GROUP**

Dave Earling, Senior Fellow, Cascadia Center for Transportation and Regional Development, shared that the Cascadia Center evolved about twelve years ago. In the past year Cascadia determined that it would look at transportation planning, funding and governance in the Puget Sound area. This project was kept low profile until it was determined whether or not the Regional Transportation Investment District would be moving forward with a package to put before voters. When it became clear that this was not going to happen Cascadia raised its profile. A group of citizens from across the region were put together to create the Transportation Working Group (TWG). The group divided into two committees, one focusing on short-term issues and the other focusing on long-term issues. The group's short-term recommendation is to maintain momentum statewide of the "Nickel" package to raise approximately \$8 billion dollars over ten years. The highest priority projects within the Puget Sound region are the Alaskan Way Viaduct and the SR 520 Bridge. It is understood that there will be major mitigation before construction can begin on the Alaskan Way Viaduct or the SR 520 Bridge. TWG suggests that the state is responsible for replacement of the Viaduct and SR 520 Bridge, however the region must shoulder a significant portion as well. Tax increases could include a ten-cent gas tax phased in over two years, as well as license and weight fees for multi-modal projects.

Cities and counties should receive a portion of the gas tax increase. TWG also urges the Legislature to authorize user fees such as tolling, HOT lanes and public/private partnerships.

TWG's long-term recommendation acknowledges that regional resources must play a major role in corridor improvements. A consolidated regional governance structure would prioritize resource availability for regional planning and funding to meet growth management goals. There should be a single designated implementing agency on each project to ensure project delivery on budget and on time. State, regional, and local governments should do a more thorough job of integrating transportation systems. Every major corridor should be multimodal.

Bruce Agnew, Program Director, Cascadia, noted that in January 2005 TWG co-sponsored a regional governance forum with the University of Washington Municipal League, the Daniel J. Evans School, the Greater Seattle Chamber of Commerce, and the Appleseed Foundation. TWG looked at how San Diego, California and Denver, Colorado passed regional sales tax packages in 2004 to fund regional plans. TWG is also involved in a civic project for statewide public education for needs of transportation-privately funded partnerships. TWG has offered to continue to hold forums to bring key leaders together. TWG is committed to tolling projects. Mr. Agnew emphasized that alternate funding for the future needs to be addressed. Voters want political accountability and a grand plan with an emphasis on resolving congestion. WSDOT received high marks in the Central Puget Sound region.

Chair Stedman noted that the Blue Ribbon Commission offered that the Legislature should provide a method by which regions can find ways to fund large projects.

Secretary MacDonald expressed concern regarding regional roles and visions of both the Department and regions.

## **NEW REVENUE DISCUSSION**

Amy Arnis, Deputy Director, Strategic Planning and Programming, briefed the Commission regarding new revenue considerations. She noted that the Commission had discussed several different funding options at the November and December 2004 meetings. At that time the Commission directed the Department to further develop a ten-year revenue expenditure package of approximately \$11.7 billion dollars for consideration and recommendation to the Legislature.

The proposed recommendation includes new funding for public transportation, cities, counties, tribes and WSDOT. The recommendations are targeted towards key policy areas such as operations and capital projects.

Paula Hammond, Chief of Staff, provided an overview of the ten-year state funding sources for ten-year estimates. There are other sources of funding to consider that are not state generated; federal STP flexible funds and regional funding sources. The proposed recommendation includes: operating funds for special needs transportation for transit systems and profit/non-profit businesses; increasing transit services that create efficiencies in congested corridors; grants for transit agencies for vehicles, facilities, shelters, bus rapid transit facilities, capital maintenance, passenger ferries and passenger ferry docks

(not operated by the state); Transportation Demand Management programs, Trip Planner, Agency Council on Coordinated Transportation, and Commute Trip Reduction; and increasing park and ride lot capacity. Cities and counties would receive \$1,630 million dollars in new funding for direct distribution for maintenance, preservation, and matching funds for improvement projects; Urban Corridor Improvement grants; local freight grants; safety improvements and small city pavement preservation grants.

Ms. Hammond provided an overview of the proposed recommendation for tribal planning. The distribution of \$11 million dollars to strengthen the transportation planning capacity in the twenty nine federally recognized tribes in the state by supporting the Tribal Transportation Planning Organization, and improving coordination and communication among state, tribal and regional transportation planning organizations.

In the proposed revenue package the Department's operating programs would receive \$777 million dollars in new funding for maintenance, traffic operations, ferries and aviation, and information technology. Capital programs would receive \$6,883 million dollars for all programs in the new funding plan. State highway projects would receive \$6,150 million dollars in new funding for preservation on key projects. She provided an overview of key projects in Puget Sound that require regional funding.

In the proposed revenue package the Intelligent Transportation Systems capital projects would receive \$103 million dollars for ITS field devices that include vehicle loop detectors, closed circuit television cameras, variable message signs and highway advisory radios. Revenue distribution of \$20 million dollars would be applied to physical security enhancements to be installed at the most critical and vulnerable highway assets based on WSDOT's Homeland Security Vulnerability Assessment.

In the proposed revenue package Park and ride lots would receive \$110 million dollars to allow for capacity expansion through the construction of new lots and expansion of existing lots. The Department will work with transit agencies statewide to identify critical long-range needs to alleviate overcrowding at existing lots and to accommodate growth in demand for transit services.

In the proposed revenue package the ferry system would receive \$400 million dollars in new funding for terminal preservation and improvements and to add four new vessels to the fleet.

In the proposed revenue package rail projects would receive \$100 million dollars in new funding for improvements to King Street Station, an overhaul of the Amtrak Cascades trainset and a placeholder for program projects implementing the Washington Transportation Plan for freight and passenger rail strategy.

Portions of I-5, I-90, SR 395 and SR 95 require that Portland cement concrete pavement need to be rebuilt or require dowel bar retrofits. Preservation needs will be funded from current revenue, but is more expensive than what current revenue allows. Ms. Hammond asked the Commission to consider whether or not this should be incorporated into the revenue proposal. Chair Stedman stated that this distribution should be given more thought. He also commented regarding revenue distribution between eastern and western Washington. He indicated that he would like to see the equity chart updated on a regular basis.

Commissioner O'Neal noted that he has concerns with the accuracy of the transmittal document that will accompany the revenue package to the Legislature.

***Commissioner Ford moved, and Commissioner Barnes seconded a motion directing the Chair and the Secretary to approve the final version of the revenue package recommendation, and to draft an appropriate cover letter to include with the submittal. The cover letter should emphasize that the Commission and the Department would come before the Committees as necessary to respond to questions or concerns. The motion was approved unanimously.***

## **SECRETARY'S REPORT**

Secretary MacDonald provided an update regarding the Port Angeles graving dock site. He emphasized that there is a group of people in Port Angeles that would like to see the work at the graving dock site continue. He indicated that there is substantial sentiment in Port Angeles in support of the decision to stop work. He noted that the project cannot move forward without the tribes consent. There is question as to what happens to the site, which is owned by WSDOT, and surrounding properties that are owned by the Port of Port Angeles. It is clear that important cultural remains have been uncovered, and there are questions and concerns about what else might be uncovered should the work continue. In the short term the Department needs to figure out what to do with the site, but will not be able to take action without legislative authorization.

There have been several calls offering properties for relocation of the site. The Department will move forward with a formal Request For Proposal.

John Conrad, Assistant Secretary, Engineering and Regional Operations, noted that the Department may not select a new site, but may in fact have the contractor pick it. The Department will work with an Expert Review Panel to determine contract provisions.

Secretary MacDonald moved on to discuss site permitting issues as well as potential issues with the contractor as a result of delays.

Secretary MacDonald provided an update regarding the Transportation Research Board (TRB). He noted that TRB is funded through the Surface Transportation Act. Its basic premises are that transportation is important. The Department is very involved with TRB, and encourages employees to participate in presentations. He shared that the Department's participation in panel activities at the January 2005 TRB National Conference was exceptional. He recognized Daniela Bremmer, Director Strategic Assessment, Strategic Planning and Programming, and Department staff for their participation in TRB activities.

Leni Oman, Research Director, shared that WSDOT has a reputation nationally for research and innovation. She provided a brief overview of WSDOT's participation in the National TRB conference noting that the Department has increased membership on a diverse number of committees. The Department's research program has broader market focus.

Secretary MacDonald provided an update regarding the Transportation Performance Audit Board's (TPAB) contracting out an environmental review and environmental permitting study (NEPA), and a capital project management study to the Joint Legislative Audit and Review Committee. He noted that the final draft reports are dated January 7, 2005. He also shared that AASHTO in conjunction with TRB held a conference regarding the need to move forward with reauthorization.

Larry Ehl, WSDOT Federal Legislative Liaison, provided an update regarding the status of transportation reauthorization. Mr. Ehl explained that earmark project titles do not exactly match what the Department and local jurisdictions have requested. This requires that the Department work with congressional staff before proceeding. He provided an overview of the list of potential federally funded projects.

Secretary MacDonald briefed the Commission regarding the status of the I-405/Kirland project. The project is a design build Nickel project. Design build is done on a best value basis that requires a project team be selected that includes the contractor and designer. The first solicitations were submitted some time ago and were short-listed to three firms last week.

The Secretary noted that Charlie Howard's departure is a major loss to the Department. He wished him the best at PSRC.

Gummada Murthy, Director, Maintenance and Operations, provided an overview of the Department's preparation for winter driving safety for motorists. He also provided an update regarding the Department's Joint Operations Policy Statement (JOPS), the Amber Alert Web Portal, and the status of recent developments of the 511 Travel Information phone line.

Secretary MacDonald introduced Congressman Jay Inslee to the Commission. Representative Inslee stated that he was stunned that the transportation reauthorization package did not go through. He shared that he's not certain how the pieces will fit together, but the Washington delegation is oriented in the right direction and pushing forward. Congestion is a statewide issue that impacts the economy and we need to make certain that people understand that.

## **2004 WSDOT AVIATION UPDATE**

John Sibold, Director, WSDOT Aviation Division, provided an update regarding the Department's aviation system plan, and its integration with the Washington Transportation Plan. He provided an overview of grant programs that are provided to small airports. The Aviation Policy Advisory Committee advised the Department that aviation facilities and services be preserved that provide access for all regions of the state and nation's air transportation system, provide for emergency management, and support local economies; that it is the state's interest to provide a safe air transportation system, and that there be sufficient airport capacity to respond to growth in demand to ensure access across the state, the nation and the world; it is the state's interest that negative environmental impacts of airports on people and the natural environment be mitigated. John Shambaugh, Aviation Planner, noted that approximately eighty-six jurisdictions have adopted airports as essential public facilities.

In December 2004 nineteen jurisdictions adopted protection around their airports for land use. Almost half of the state is protected by land use guidelines. Under GMA there are timelines for GMA counties. There should be at least 125 airports protected by 2007. Mr. Sibold noted that it's not a perfect world when it comes to land use. The Aviation Division has gotten very involved with the FAA on a national issue, and is trying to get the FAA to participate with the National Association of States to identify guidelines on land use and to consider identifying all airports in the country as essential public facilities.

### **UPDATE ON MINNESOTA HOT LANES TOUR**

Charlie Howard, Director, Strategic Planning and Programming, provided a briefing regarding his attendance at the Minnesota Department of Transportation's presentation on congestion pricing. The primary purpose of the trip was to tour Minnesota's I-394 high occupancy toll (HOT) lanes project that is scheduled to open in the spring of 2005. The I-394 project is very similar to Washington's SR 167 HOT lane project. For over a decade the State of Minnesota has been looking at the possibility of improving the efficiency of their freeway system by using congestion pricing. Congestion tops Minnesota's list of concerns and with rapid growth in transportation demand there is a commitment to provide efficient, timely and reliable travel. The cost of congestion is high. Optimizing the use of available capacity in HOV lanes along with tolls will provide a new revenue source that is self-sustaining. The I-394 HOT lane project will be developed and completed through a public/private partnership. Preliminary revenue estimates indicate that initial gross revenue will be \$2 million-\$2.5 million dollars, and at maturity annual revenues of \$3-\$3.5 million dollars. Beyond HOT lanes Minnesota is evaluating the construction of a network of new congestion priced toll lanes, called "FAST Lanes", on their existing freeway system. At this point, Minnesota DOT does not expect these lanes to completely pay for themselves.

Attendance to the workshop helped the Department to gain significant insight into potential solutions to obstacles that may be confronted on the SR-167 HOT Lane Pilot Project.

The Department received a grant from the Federal Highway Administration that will enable it to begin preliminary engineering, channelization planning, the operational concept for the overall tolling system, public outreach and begin the NEPA analysis for the project.

In closing Mr. Howard clarified that HOT lanes are clearly to maximize the efficiency of the lane, not necessarily to raise revenue.

The Commission meeting adjourned at 4:00 p.m., on January 19, 2005.



WASHINGTON STATE TRANSPORTATION COMMISSION

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DALE STEDMAN, Chair

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DANIEL O'NEAL, Vice-Chair

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EDWARD BARNES, Member

\_\_\_\_\_  
DICK FORD, Member

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ELMIRA FORNER, Member

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ROBERT S. DISTLER, Member  
(Not a member at this meeting)

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A. MICHÈLE MAHER, Member

\_\_\_\_\_  
DOUGLAS MACDONALD, Ex-Officio Member  
Secretary of Transportation

ATTEST:

\_\_\_\_\_  
JENNIFER ZIEGLER, Administrator

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DATE OF APPROVAL